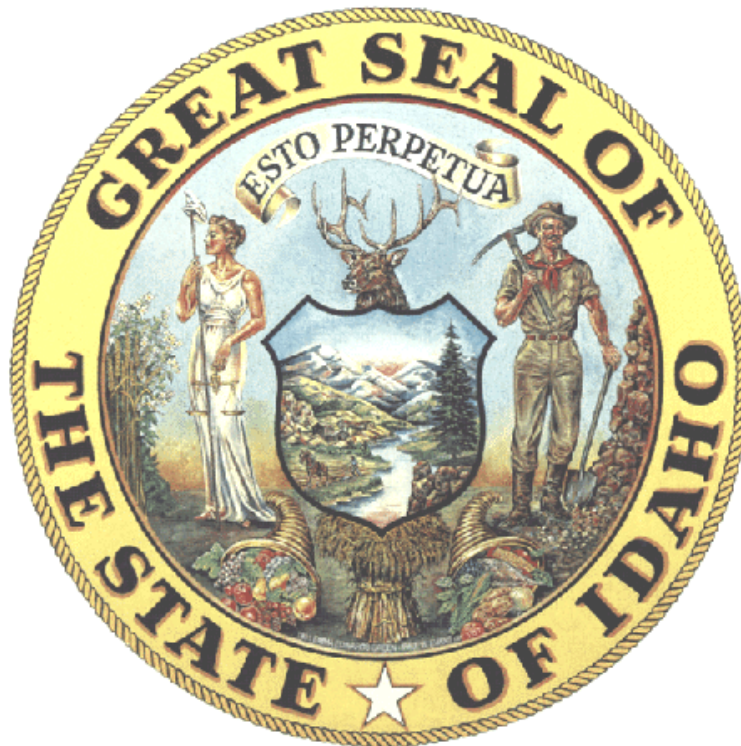


Report to the Governor

State Employee Compensation & Benefits



FY 2009
Change in
Employee
Compensation & Benefits
Report

Division of Human Resources
Department of Administration

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INTRODUCTION

Early in his administration, Governor Otter asked for a review of the total compensation package currently offered to State employees. In order to study this issue, a task force was formed to examine the total compensation program for State employees. The task force was composed of representatives of the Division of Human Resources (DHR), the Department of Administration and the Public Employee Retirement System of Idaho (PERSI). The task force met numerous times over a six month period to examine the State's current compensation system. The task force was asked to define relevant labor markets and to formulate a strategy and a plan to bring state employee compensation into a competitive market position.

The task force proceeded with the total compensation review while following Idaho State Statute 67-5309A regarding State Employee Compensation Philosophy which states, "The state's overall compensation system, which includes both a salary and a benefit component, when taken as a whole shall be competitive with relevant labor market averages." The summary of recommendations is listed below, followed by a more in-depth explanation of those recommendations.

SALARY – Cash compensation (salary) is significantly behind the market. Based on the value of PERSI, the Governor's goal is for State salaries to achieve approximately 96% of the relevant market. This will be accomplished by at least a 5% per year adjustment to personnel budgets for at least the next five years.

HEALTH and Insurance BENEFITS – State employees benefit from generous insurance plans with the State currently spending \$172 million annually on behalf of employees for health, dental, life, short and long term disability insurance. The current level of cost sharing for the state health care plan is 78% state funded and 22% employee funded. The task force recommends a modest shift of health care funding to 70% state funded and 30% employee funded, to align with comparable private sector plans. The transition from the current level (78/22%) to the proposed level (70/30%) will occur over a four to five year period and will be generally attained through more competitive dependent premiums.

RETIREE BENEFITS – The retiree medical benefit is a pay as you go system, with no recognition of the State's medical retiree liability. Governmental Accounting Standards Board (GASB) 45 requires states to recognize all "other post employment benefits" – otherwise known as OPEB. The State's current estimated liability for OPEB is \$442 million. This liability will soon have an impact on the State's bottom line and could potentially affect Idaho's credit rating and ability to bond at low interest levels. The task force is recommending significant changes that would reduce the State's liability to approximately \$190 million.

PENSION – No changes are recommended to the overall PERSI benefit or plan design. The PERSI retirement benefit was found to be significantly richer than the retirement plans in the private sector.

SALARY

The Executive Branch and Legislature have recognized the need to fund compensation on an annual basis. As stated in previous Change in Employee Compensation (CEC) reports, Idaho Code 67-5309A(3) states that “regardless of specific budgetary conditions from year to year, it is vital to fund necessary compensation adjustments each year to maintain market competitiveness.”

The CEC report is prepared each year and submitted to the Governor and Legislature by December 1. The report is mandated by Idaho Code 67-5309A in recognition that appropriate levels of compensation are required to attract and retain the quality and quantity of employees needed for the State as an employer to meet its mission and goals in providing for Idaho citizens and visitors.

The context for the FY2009 recommendations has its genesis in changes made to the compensation plan in July 2006 arising from HB844 and SB1363. These legislative initiatives directed DHR to make changes to the salary plan including:

- Moving salary ranges closer to market;
- Having pay grade assignments based on Hay points and market;
- Having more pay grades;
- Having salary movement delivered through a merit matrix; and
- Allowing agencies flexibility in addressing salary changes.

The salary plan DHR designed was consistent with the legislation. However, concerns were expressed during the first year of implementation that it was overly complicated and difficult to understand. In response to these concerns, the Division of Financial Management (DFM) contracted with HayGroup to conduct an audit of the salary plan. The results of that audit were presented to the Governor’s Office and key legislative committees.

The theme of the recommendations in the audit was to “get back to basics” in terms of compensation plan design, implementation and administration. However, in doing so, it was very important that further changes not be viewed as “taking a step back”. An action plan was adopted and communicated to the Executive Branch and Legislative leadership. The plan consists of the following objectives:

- Re-establish the credibility, quality and defensibility of the internal alignment of classifications by reviewing the job factoring of each classification;
- Simplify the grade and salary structure;
- Consider the creation of multiple salary structures and/or create salary ranges for classifications for which there is a market premium relative to other jobs of the same job content; and
- Develop a communication and implementation plan through partnership with the agencies that will optimize the understanding and acceptance of the outcomes of the above three objectives.

The recommendations made in this report are focused on employee pay rather than the pay structure. However since the pay structure lags the market a new pay structure will be developed for implementation effective July 1, 2008.

As previously stated, Executive leadership and the Legislature have recognized the need to fund compensation on an annual basis. This importance is heightened by two key factors, one external and one internal.

The external factor is the *rate of unemployment*. The overall rate of unemployment in Idaho in October 2007 was 2.5%, down from 3.3% at the same time last year. There are parts of Idaho where the rate is even lower, such as the City of Boise where the rate is 0.9%. It is generally accepted by most labor economists that an unemployment rate of approximately 5% is full employment. The remaining 5% represents those that are unemployable with their current skill sets. This means that in the current labor market in Idaho, there are more positions available than there are qualified applicants to fill them.

Compensation funding decisions must take into consideration the need to attract the workforce of tomorrow by evaluating total compensation which is the mix of salary and benefits. It is recommended that funding decisions starting in FY2009 be the beginning of a trend to place more emphasis on increased funding of salaries and less emphasis on increased funding for benefits. This will be consistent with the mix of compensation that is important to tomorrow's workforce.

The internal factor is *workforce demographics*. Based on data provided by the State's Public Employees Retirement System, the average age at which employees retire from employment with the State is 62. Currently, 36% of State classified and nonclassified employees who are members of PERSI are 52 and above. The average age of State employees is 47; the average age of those hired into the State in the past year has been 36-40. In addition, 49% of all classified employees and 52% of all nonclassified employees (excluding higher education) are 46-60. Only 4.6% of the current classified workforce and 2.2% of the nonclassified workforce is under 26.

Another element of workforce demographics is state employee turnover. The rate of turnover is currently 15.9% for the classified workforce. More detailed information is included in the appendices.

In order to attract the workforce of tomorrow and to retain current employees it is vital that compensation decisions consider:

- a competitive total compensation package
- retention of employees in critical leadership and service roles
- retention of employees who will succeed those retiring in the next 10 years

SALARY CONCLUSIONS AND RECOMMENDATIONS

The FY2007 and FY2008 CEC reports showed that *average actual salary* for State classified employees to be 16.5% and 15.6% respectively behind market. The State's salary range midpoint (salary structure) was 8.6% and 5% respectively behind the market average. The salary survey data gathering and analysis for this report has been completed in partnership with the Department of Labor.

Based on the data gathered from multiple sources, the comparison of the current actual average salary and the pay range midpoints for the State as compared to the market, the *average actual salary* for the State classified employees is 15% behind the market. The State's salary range midpoint (salary structure) is 8%-10% behind the market average. A significant reason for the pay structure losing competitiveness is that the pay ranges were not adjusted for FY2008.

In response to market related changes necessary for specific occupational inequities, the Governor's recommendation for FY2009 includes additional personnel cost funding for selected agencies.

The FY2008 CEC report set out the importance of taking a long range (10 year) approach to enhancing the competitiveness of State employee compensation. When starting from a position that lags the market significantly, this can be a daunting task. The funding provided for FY2008 was a start to that process and it is recommended that the funding for FY2009 continue to show the commitment to the long range target.

It is recommended that 5% funding for the salary component of State employee compensation (excluding public schools) be provided in accordance with the State's merit-based pay philosophy. The total fiscal impact of this recommendation is approximately \$32.2 million to the General Fund and \$23.6 million to Dedicated and Federal Funds combined.

HEALTH AND INSURANCE BENEFITS CONCLUSIONS AND RECOMMENDATIONS

The State's current health benefits plan is competitive with the private market. The State currently pays approximately 92% of premiums for both employees and their dependents. The private sector pays a smaller share, typically 90% of employee premium and 80% of dependent premium.

Currently the State pays about 78% of total covered medical charges while the private sector employers are at or are targeting 70% of covered charges. Total covered medical charges are defined as deductibles, co-insurance percentages, co-payment amounts, and required premiums to the plan by employees.

In order to bring health care benefits in line with the private sector, we recommend the following changes to the plan:

- Implement a 70/30% cost share target for the State and its employees, using total covered charges. This implementation would take place over a four to five year period.

- Increase the employee costs for dependents to a level consistent with private sector employees.
- Allocate future employee premium cost as a percentage of compensation, starting FY2009.
- Charge premiums for part time employees enjoying a full-time benefit at the full-time rate.

The change to a 70/30% plan will save the State nearly \$40 million over the next five years. If the State continues with the current health benefit plan, per employee costs will increase by \$2000 to a total of \$9200 per year. If recommended changes are accepted, per employee costs would be approximately \$8900 per year.

RETIREE BENEFITS CONCLUSIONS AND RECOMMENDATIONS

Retirees participating in the State retiree medical benefits plan pay about 78% of the total cost of claims with the State and State employees subsidizing the balance.

The task force recommends the following:

- Eliminate retiree medical benefits for any employee hired after July 1, 2008.
- Freeze the State and employee subsidies to the plan at current levels.
- Active and retiree coverage will be separately rated and any increase in the cost of retiree coverage as a result of separate rating shall be paid by the retiree.
- Change eligibility requirements for retiree health care coverage so that the retiree must work for the state until eligible for early retirement (prior to age 65); and secondly, must retire directly from State service.

PENSION BENEFITS CONCLUSIONS AND RECOMMENDATIONS

As previously stated, the State pension plan is significantly superior to the retirement plans of the private sector. The current State cash contribution to the plan on behalf of employees is 10.4% of salaries. Private sector employers contribute about 6% of salaries to their employees plan.

At this time there are no changes recommended to the pension benefits system.

Division of Human Resources
APPENDICES

NOTE: Historically DHR has considered many factors when compiling turnover data including employees in entrance probationary status.

Appendix A: Classified and Nonclassified Employee Age Ranges as of October 22, 2007.

Appendix B: Classified Total Turnover by Agency – FY2007.
Includes all separations – voluntary, involuntary, layoff, retirement, and transfer to other agency.
Sorted by turnover rate in descending order.

Appendix C: Classified Voluntary Turnover by Agency – FY2007.
Voluntary separations include: better job, compensation, dissatisfied, other, personal, and transfer to other agency; excludes entrance probation separations.
Sorted by turnover rate in descending order.

Appendix D: Classified Voluntary Turnover by Agency – FY2007.
Voluntary separations include: better job, compensation, dissatisfied, other, and personal; excludes transfer to other agency and entrance probation separations.
Sorted by turnover rate in descending order.

Appendix E: Classified Voluntary Turnover by Classification – FY2007.
Voluntary separations include: better job, compensation, dissatisfied, other, and personal; excludes transfer to other agency and entrance probation separations. Information includes classes with greater than 15% turnover and more than 9 employees
Sorted by turnover rate in descending order.

Appendix F: Agency Classified Compa-Ratio as of November 2, 2007.
Sorted by Compa-Ratio in ascending order.
Classified employees in colleges and universities and the Division of Vocational Rehabilitation are typically in administrative support or technical positions with lower compa-ratios. Professional and managerial employees are typically nonclassified.

Appendix G: Agency Classified Compa-Ratio as of November 2, 2007.
Sorted by Years of Service in ascending order.
Classified employees in colleges and universities and the Division of Vocational Rehabilitation are typically in administrative support or technical positions with lower compa-ratios. Professional and managerial employees are typically nonclassified.

Appendix A

Classified Employees Age Ranges - 10/22/07

Age Range	Number of Employees	Percent of Classified Workforce
16 - 20	39	0.3%
21 - 25	576	4.3%
26 - 30	1065	8.0%
31 - 35	1222	9.2%
36 - 40	1417	10.7%
41 - 45	1600	12.0%
46 - 50	2023	15.2%
51 - 55	2439	18.3%
56 - 60	2052	15.4%
61 - 65	728	5.5%
66 - 70	118	0.9%
71 - 75	18	0.1%
76 - 80	5	0.0%
81 - 85	1	0.0%
Grand Total	13303	100.0%

Nonclassified Employees (Excludes Higher Ed & Temporaries) Age Ranges - 10/22/07

Age Range	Number of Employees	Percent of Nonclassified Workforce
16 - 20	1	0.0%
21 - 25	45	2.2%
26 - 30	114	5.6%
31 - 35	159	7.8%
36 - 40	208	10.2%
41 - 45	244	11.9%
46 - 50	325	15.9%
51 - 55	375	18.4%
56 - 60	366	17.9%
61 - 65	151	7.4%
66 - 70	35	1.7%
71 - 75	15	0.7%
76 - 80	3	0.1%
81 - 85	1	0.0%
Grand Total	2042	100.0%

Appendix B

Classified Total Turnover by Agency - FY2007

Includes **all** separations - voluntary, involuntary, layoff, retirement, transfer to other agency

Agency	Agency Name	July 06 Employee Count	July 07 Employee Count	Average Number Employees FY07	FY07 Separations	Turnover Rate
434	Outfit & Guides Bd	3	3	3	3	100.0%
332	Racing Comm	3	2	2.5	2	80.0%
194	Human Resources	34	19	26.5	19	71.7%
905	Independent Living Council	0	3	1.5	1	66.7%
429	Real Estate Comm	13	15	14	8	57.1%
425	Medicine Bd	8	8	8	3	37.5%
200	Administration	138	113	125.5	46	36.7%
502	Deaf & Blind School	51	43	47	16	34.0%
501	Education Bd	2	4	3	1	33.3%
421	Pharmacy Bd	10	8	9	3	33.3%
440	Lottery Comm	14	11	12.5	4	32.0%
444	Veterans Services	271	271	271	83	30.6%
503	Prof-Tech Education	13	14	13.5	4	29.6%
954	Health District IV	139	138	138.5	41	29.6%
953	Health District III	98	96	97	28	28.9%
523	Vocational Rehab	55	57	56	14	25.0%
189	Blind Comm	39	40	39.5	9	22.8%
300	Industrial Comm	72	74	73	16	21.9%
230	Correction	1449	1494	1471.5	299	20.3%
240	Labor	623	561	592	118	19.9%
340	Parks & Recreation	148	144	146	28	19.2%
360	Water Resources	162	167	164.5	31	18.8%
511	Lewis & Clark St College	134	133	133.5	25	18.7%
450	Building Safety	139	139	139	26	18.7%
512	Boise State University	657	660	658.5	121	18.4%
180	Financial Management	6	5	5.5	1	18.2%
956	Health District VI	118	118	118	21	17.8%
900	Public Utilities Comm	35	34	34.5	6	17.4%
522	Historical Society	41	44	42.5	7	16.5%
270	Health & Welfare	2903	2978	2940.5	472	16.1%
185	Liquor Dispensary	169	184	176.5	28	15.9%
951	Health District I	136	133	134.5	21	15.6%
285	Juvenile Corrections	337	343	340	53	15.6%
504	Eastern Id Tech College	32	34	33	5	15.2%
955	Health District V	81	81	81	12	14.8%
280	Insurance	59	63	61	9	14.8%
352	Tax Comm	381	388	384.5	52	13.5%
513	Idaho State University	653	667	660	88	13.3%
957	Health District VII	90	91	90.5	12	13.3%

952	Health District II	51	48	49.5	6	12.1%
245	Environmental Quality	341	341	341	39	11.4%
330	State Police	462	477	469.5	50	10.6%
521	Commission For Libraries	37	39	38	4	10.5%
188	Human Rights Comm	10	9	9.5	1	10.5%
520	Public Television	45	50	47.5	5	10.5%
210	Agriculture	196	205	200.5	20	10.0%
290	Transportation	1721	1710	1715.5	168	9.8%
220	Commerce	0	41	20.5	2	9.8%
331	Brand Inspector	33	33	33	3	9.1%
320	Lands	245	245	245	21	8.6%
427	Occupational License	26	27	26.5	2	7.5%
260	Fish & Game	497	500	498.5	37	7.4%
187	Office on Aging	13	14	13.5	1	7.4%
183	PERSI	55	58	56.5	4	7.1%
250	Finance	46	50	48	1	2.1%
422	Accountancy Bd	3	3	3	0	0.0%
423	Dentistry Bd	1	1	1	0	0.0%
424	Engr & Surveyors Bd	2	2	2	0	0.0%
441	Hispanic Affairs	2	2	2	0	0.0%
322	Investment Bd	2	2	2	0	0.0%
341	Lava Hot Springs	8	9	8.5	0	0.0%
426	Nursing Bd	6	6	6	0	0.0%
351	Tax Appeals	2	3	2.5	0	0.0%
435	Veterinary Med Bd	0	1	0.5	0	0.0%
Totals		13120	13256	13188	2100	15.9%

Appendix C

Classified Voluntary Turnover by Agency FY2007

Voluntary Separations: Better Job, Compensation, Dissatisfied, Other, Personal, Transfer to Other Agency

Excludes entrance probation separations

Agency	Agency Name	July 06 Employee Count	July 07 Employee Count	Average Number Employees FY07	FY07 Separations	Turnover Rate
905	Independent Living Council	0	3	1.5	1	66.7%
434	Outfit & Guides Bd	3	3	3	2	66.7%
194	Human Resources	34	19	26.5	14	52.8%
421	Pharmacy Bd	10	8	9	3	33.3%
200	Administration	138	113	125.5	38	30.3%
425	Medicine Bd	8	8	8	2	25.0%
429	Real Estate Comm	13	15	14	3	21.4%
180	Financial Management	6	5	5.5	1	18.2%
444	Veterans Services	271	271	271	49	18.1%
954	Health District IV	139	138	138.5	24	17.3%
440	Lottery Comm	14	11	12.5	2	16.0%
900	Public Utilities Comm	35	34	34.5	5	14.5%
511	Lewis & Clark St College	134	133	133.5	19	14.2%
300	Industrial Comm	72	74	73	10	13.7%
240	Labor	623	561	592	80	13.5%
360	Water Resources	162	167	164.5	21	12.8%
340	Parks & Recreation	148	144	146	18	12.3%
450	Building Safety	139	139	139	16	11.5%
523	Vocational Rehab	55	57	56	6	10.7%
512	Boise State University	657	660	658.5	70	10.6%
188	Human Rights Comm	10	9	9.5	1	10.5%
520	Public Television	45	50	47.5	5	10.5%
953	Health District III	98	96	97	10	10.3%
189	Blind Comm	39	40	39.5	4	10.1%
952	Health District II	51	48	49.5	5	10.1%
280	Insurance	59	63	61	6	9.8%
220	Commerce	0	41	20.5	2	9.8%
285	Juvenile Corrections	337	343	340	30	8.8%
513	Idaho State University	653	667	660	57	8.6%
230	Correction	1449	1494	1471.5	122	8.3%
270	Health & Welfare	2903	2978	2940.5	242	8.2%
957	Health District VII	90	91	90.5	7	7.7%
245	Environmental Quality	341	341	341	26	7.6%
187	Office on Aging	13	14	13.5	1	7.4%
503	Prof-Tech Education	13	14	13.5	1	7.4%
352	Tax Comm	381	388	384.5	28	7.3%
522	Historical Society	41	44	42.5	3	7.1%

210	Agriculture	196	205	200.5	13	6.5%
331	Brand Inspector	33	33	33	2	6.1%
504	Eastern Id Tech College	32	34	33	2	6.1%
951	Health District I	136	133	134.5	8	5.9%
956	Health District VI	118	118	118	7	5.9%
320	Lands	245	245	245	14	5.7%
183	PERSI	55	58	56.5	3	5.3%
330	State Police	462	477	469.5	23	4.9%
185	Liquor Dispensary	169	184	176.5	8	4.5%
290	Transportation	1721	1710	1715.5	77	4.5%
502	Deaf & Blind School	51	43	47	2	4.3%
521	Commission For Libraries	37	39	38	1	2.6%
260	Fish & Game	497	500	498.5	13	2.6%
422	Accountancy Bd	3	3	3	0	0.0%
423	Dentistry Bd	1	1	1	0	0.0%
501	Education Bd	2	4	3	0	0.0%
424	Engr & Surveyors Bd	2	2	2	0	0.0%
250	Finance	46	50	48	0	0.0%
955	Health District V	81	81	81	0	0.0%
441	Hispanic Affairs	2	2	2	0	0.0%
322	Investment Bd	2	2	2	0	0.0%
341	Lava Hot Springs	8	9	8.5	0	0.0%
426	Nursing Bd	6	6	6	0	0.0%
427	Occupational License	26	27	26.5	0	0.0%
332	Racing Comm	3	2	2.5	0	0.0%
351	Tax Appeals	2	3	2.5	0	0.0%
435	Veterinary Med Bd	0	1	0.5	0	0.0%
Totals		13120	13256	13188	1107	8.4%

Appendix D

Classified Voluntary Turnover by Agency (Excludes Transfers) FY2007

Voluntary Separations: Better Job, Compensation, Dissatisfied, Other, Personal
Excludes entrance probation separations

Agency	Agency Name	July 06 Employee Count	July 07 Employee Count	Average Number Employees FY07	FY07 Separations	Turnover Rate
434	Outfit & Guides Bd	3	3	3	1	33.3%
425	Medicine Bd	8	8	8	2	25.0%
444	Veterans Services	271	271	271	45	16.6%
440	Lottery Comm	14	11	12.5	2	16.0%
511	Lewis & Clark St College	134	133	133.5	19	14.2%
954	Health District IV	139	138	138.5	17	12.3%
421	Pharmacy Bd	10	8	9	1	11.1%
360	Water Resources	162	167	164.5	18	10.9%
523	Vocational Rehab	55	57	56	6	10.7%
188	Human Rights Comm	10	9	9.5	1	10.5%
953	Health District III	98	96	97	10	10.3%
220	Commerce	0	41	20.5	2	9.8%
300	Industrial Comm	72	74	73	7	9.6%
512	Boise State University	657	660	658.5	63	9.6%
340	Parks & Recreation	148	144	146	13	8.9%
900	Public Utilities Comm	35	34	34.5	3	8.7%
450	Building Safety	139	139	139	12	8.6%
285	Juvenile Corrections	337	343	340	28	8.2%
280	Insurance	59	63	61	5	8.2%
952	Health District II	51	48	49.5	4	8.1%
513	Idaho State University	653	667	660	53	8.0%
189	Blind Comm	39	40	39.5	3	7.6%
270	Health & Welfare	2903	2978	2940.5	218	7.4%
230	Correction	1449	1494	1471.5	106	7.2%
957	Health District VII	90	91	90.5	6	6.6%
520	Public Television	45	50	47.5	3	6.3%
331	Brand Inspector	33	33	33	2	6.1%
504	Eastern Id Tech College	32	34	33	2	6.1%
210	Agriculture	196	205	200.5	12	6.0%
956	Health District VI	118	118	118	7	5.9%
245	Environmental Quality	341	341	341	20	5.9%
183	PERSI	55	58	56.5	3	5.3%
240	Labor	623	561	592	30	5.1%
200	Administration	138	113	125.5	6	4.8%
522	Historical Society	41	44	42.5	2	4.7%
951	Health District I	136	133	134.5	6	4.5%
352	Tax Comm	381	388	384.5	17	4.4%
502	Deaf & Blind School	51	43	47	2	4.3%

320	Lands	245	245	245	10	4.1%
185	Liquor Dispensary	169	184	176.5	7	4.0%
330	State Police	462	477	469.5	18	3.8%
194	Human Resources	34	19	26.5	1	3.8%
290	Transportation	1721	1710	1715.5	63	3.7%
260	Fish & Game	497	500	498.5	13	2.6%
422	Accountancy Bd	3	3	3	0	0.0%
521	Commission For Libraries	37	39	38	0	0.0%
423	Dentistry Bd	1	1	1	0	0.0%
501	Education Bd	2	4	3	0	0.0%
424	Engr & Surveyors Bd	2	2	2	0	0.0%
250	Finance	46	50	48	0	0.0%
180	Financial Management	6	5	5.5	0	0.0%
955	Health District V	81	81	81	0	0.0%
441	Hispanic Affairs	2	2	2	0	0.0%
905	Independent Living Council	0	3	1.5	0	0.0%
322	Investment Bd	2	2	2	0	0.0%
341	Lava Hot Springs	8	9	8.5	0	0.0%
426	Nursing Bd	6	6	6	0	0.0%
427	Occupational License	26	27	26.5	0	0.0%
187	Office on Aging	13	14	13.5	0	0.0%
503	Prof-Tech Education	13	14	13.5	0	0.0%
332	Racing Comm	3	2	2.5	0	0.0%
429	Real Estate Comm	13	15	14	0	0.0%
351	Tax Appeals	2	3	2.5	0	0.0%
435	Veterinary Med Bd	0	1	0.5	0	0.0%
Totals		13120	13256	13188	869	6.6%

Appendix E

Classified Voluntary Turnover by Classification (Excludes Transfers) FY2007 - Greater Than 15 Percent & Greater Than 9 Employees

Voluntary Separations: Better Job, Compensation, Dissatisfied, Other, Personal

Excludes entrance probation separations

Class Title	July 06 Employee Count	July 07 Employee Count	Avg Number Emps FY07	FY07 Separations	Turnover Rate	Class Compa- Ratio 11/2/07	Comments
ENGINEER-IN-TRAINING	13	6	9.5	5	52.6%	105.7%	Agencies - DEQ; Trans; Water Resources. All Separation - Better Job.
NURSING ASST, CERTIFIED	74	73	73.5	25	34.0%	90.3%	Agency - Veteran Services. Type of work.
ECONOMIC DEVMT SPEC	10	11	10.5	3	28.6%	84.8%	Agency - Commerce
WATER RSRC AGENT,SR	22	21	21.5	5	23.3%	86.1%	Agency - Water Resources. 4 Separations - Better Job.
ACCOUNT COLLECTION SPEC	9	10	9.5	2	21.1%	83.0%	Agencies - Tax Comm & LCSC. 1 Separation - Better Job.
CLIENT SVCS TECH	13	16	14.5	3	20.7%	98.6%	Agency - Health & Welfare. Type of work.
WORKFORCE, CONSULTANT	16	13	14.5	3	20.7%	83.0%	Various Agencies - Majority in Labor. 2 Separation - Better Job.
COMMUNICATIONS SUPV	10	10	10	2	20.0%	104.3%	Agencies - Health & Welfare; ISP
ELECTRICIAN	16	14	15	3	20.0%	99.3%	Various Agencies
PAINTER	11	10	10.5	2	19.0%	91.9%	Various Agencies - Majority in BSU & ISU. 1 Separation - Better Job.
REHAB SPEC, DJC	18	14	16	3	18.8%	86.4%	Agency - DJC. 2 Separation - Better Job
DEV DIS TECH TRNEE,ISSH	24	19	21.5	4	18.6%	87.1%	Agency - Health & Welfare. Type of work.
WEB DEVELOPER	10	12	11	2	18.2%	91.8%	Various Agencies
CORR SPECIALIST	8	82	45	8	17.8%	93.1%	Agency - Correction. 5 Separation - Better Job.

DIETARY AIDE, SR	43	41	42	7	16.7%	85.6%	Various Agencies - Majority in Health & Welfare and Veteran Services. 3 Separation - Better Job.
DEV SPEC, CHLDRNS PRGS	29	32	30.5	5	16.4%	88.1%	Agency - Health & Welfare. 1 Separation - Better Job. 1 Separation - Compensation.
ISP REGNL COMUNCTN OFCR	24	26	25	4	16.0%	104.6%	Agency - ISP. All Separation - Personal.
HEALTH FAC SURVEYOR	32	31	31.5	5	15.9%	112.1%	Agency - Health & Welfare. 1 Separation - Better Job.
Totals	382	441	411.5	91	22.1%		

Appendix F

Agency Classified Compa-Ratio - 11/2/07

Agency	Agency Name	Number of Employees	Compa-Ratio	Average Pay Rate	Average Policy Rate	Average Years of Service
435	Veterinary Med Bd	1	74.9%	\$11.04	\$14.73	3.6
441	Hispanic Affairs	2	76.7%	\$12.59	\$16.42	4.1
905	Independent Living Council	2	82.6%	\$13.56	\$16.42	1.9
523	Vocational Rehab	64	85.7%	\$13.94	\$16.28	8.9
429	Real Estate Comm	14	85.8%	\$14.83	\$17.27	4.2
427	Occupational License	29	86.9%	\$15.21	\$17.50	8.3
425	Medicine Bd	8	87.0%	\$12.95	\$14.89	13.7
220	Commerce	42	88.0%	\$18.90	\$21.48	9.2
511	Lewis & Clark St College	135	88.3%	\$12.81	\$14.50	8.5
513	Idaho State University	680	88.3%	\$13.24	\$14.99	9.8
230	Correction	1546	88.7%	\$16.76	\$18.91	7.3
512	Boise State University	685	89.1%	\$13.26	\$14.89	8.9
501	Education Bd	2	89.3%	\$13.27	\$14.86	0.3
331	Brand Inspector	29	89.5%	\$15.46	\$17.27	13.3
521	Commission For Libraries	38	89.7%	\$16.97	\$18.93	10.2
351	Tax Appeals	3	90.4%	\$21.78	\$24.10	11.5
434	Outfit & Guides Bd	4	90.4%	\$12.72	\$14.07	4.0
300	Industrial Comm	73	90.5%	\$14.66	\$16.20	9.3
320	Lands	248	91.2%	\$21.19	\$23.25	13.8
188	Human Rights Comm	10	91.8%	\$18.35	\$19.99	10.7
952	Health District II	49	92.2%	\$17.78	\$19.27	9.7
340	Parks & Recreation	148	92.6%	\$18.30	\$19.76	13.0
440	Lottery Comm	11	92.6%	\$14.52	\$15.69	9.2
183	PERSI	56	93.0%	\$17.62	\$18.94	12.4
285	Juvenile Corrections	346	93.1%	\$17.41	\$18.71	8.7
421	Pharmacy Bd	10	93.2%	\$16.46	\$17.67	7.3
360	Water Resources	172	93.6%	\$22.18	\$23.69	12.7
951	Health District I	130	93.7%	\$18.31	\$19.54	9.4
522	Historical Society	45	94.0%	\$18.67	\$19.87	11.5
245	Environmental Quality	340	94.0%	\$23.48	\$24.99	11.2
520	Public Television	48	94.0%	\$18.08	\$19.23	11.1
189	Blind Comm	42	94.2%	\$17.67	\$18.76	11.2
957	Health District VII	89	94.5%	\$18.21	\$19.26	9.0
444	Veterans Services	272	94.8%	\$14.72	\$15.52	7.2
352	Tax Comm	395	95.2%	\$19.39	\$20.38	12.4
185	Liquor Dispensary	190	95.6%	\$14.57	\$15.24	8.7
194	Human Resources	14	95.7%	\$20.10	\$21.01	15.7
200	Administration	121	95.7%	\$18.94	\$19.79	11.0
956	Health District VI	114	96.3%	\$17.71	\$18.39	8.9
210	Agriculture	197	96.4%	\$21.78	\$22.58	12.3
260	Fish & Game	492	96.5%	\$21.78	\$22.57	13.8

504	Eastern Id Tech College	33	96.7%	\$14.04	\$14.51	9.4
900	Public Utilities Comm	35	96.7%	\$21.49	\$22.21	14.5
280	Insurance	61	96.8%	\$19.68	\$20.33	8.0
240	Labor	553	97.0%	\$20.60	\$21.22	11.9
341	Lava Hot Springs	9	97.2%	\$13.46	\$13.85	10.1
270	Health & Welfare	2995	97.3%	\$19.76	\$20.30	9.8
450	Building Safety	139	97.9%	\$20.03	\$20.46	8.5
426	Nursing Bd	6	98.1%	\$14.06	\$14.33	12.7
955	Health District V	82	98.5%	\$18.67	\$18.96	8.6
422	Accountancy Bd	3	100.2%	\$15.89	\$15.86	14.7
953	Health District III	97	100.4%	\$18.00	\$17.93	7.1
187	Office on Aging	12	100.4%	\$22.29	\$22.20	12.4
954	Health District IV	139	100.5%	\$18.24	\$18.14	8.5
502	Deaf & Blind School	43	100.8%	\$15.06	\$14.93	12.6
250	Finance	49	100.9%	\$24.29	\$24.08	11.0
290	Transportation	1694	100.9%	\$19.57	\$19.40	14.8
503	Prof-Tech Education	14	102.1%	\$14.99	\$14.68	10.7
332	Racing Comm	2	104.5%	\$17.91	\$17.14	13.9
330	State Police	473	105.4%	\$22.42	\$21.27	11.1
424	Engr & Surveyors Bd	2	109.4%	\$16.25	\$14.86	7.2
186	Insurance Fund	4	114.8%	\$25.97	\$22.63	15.8
322	Investment Bd	2	118.4%	\$22.81	\$19.26	21.7
423	Dentistry Bd	1	122.4%	\$20.10	\$16.42	28.2
180	Financial Management	4	122.5%	\$33.30	\$27.18	25.3
Totals		13348	95.5%	\$18.54	\$19.42	10.6

Appendix G

Agency Classified Compa-Ratio - 11/2/07

Agency	Agency Name	Number of Employees	Compa-Ratio	Average Pay Rate	Average Policy Rate	Average Years of Service
501	Education Bd	2	89.3%	\$13.27	\$14.86	0.3
905	Independent Living Council	2	82.6%	\$13.56	\$16.42	1.9
435	Veterinary Med Bd	1	74.9%	\$11.04	\$14.73	3.6
434	Outfit & Guides Bd	4	90.4%	\$12.72	\$14.07	4.0
441	Hispanic Affairs	2	76.7%	\$12.59	\$16.42	4.1
429	Real Estate Comm	14	85.8%	\$14.83	\$17.27	4.2
953	Health District III	97	100.4%	\$18.00	\$17.93	7.1
424	Engr & Surveyors Bd	2	109.4%	\$16.25	\$14.86	7.2
444	Veterans Services	272	94.8%	\$14.72	\$15.52	7.2
230	Correction	1546	88.7%	\$16.76	\$18.91	7.3
421	Pharmacy Bd	10	93.2%	\$16.46	\$17.67	7.3
280	Insurance	61	96.8%	\$19.68	\$20.33	8.0
427	Occupational License	29	86.9%	\$15.21	\$17.50	8.3
511	Lewis & Clark St College	135	88.3%	\$12.81	\$14.50	8.5
954	Health District IV	139	100.5%	\$18.24	\$18.14	8.5
450	Building Safety	139	97.9%	\$20.03	\$20.46	8.5
955	Health District V	82	98.5%	\$18.67	\$18.96	8.6
285	Juvenile Corrections	346	93.1%	\$17.41	\$18.71	8.7
185	Liquor Dispensary	190	95.6%	\$14.57	\$15.24	8.7
523	Vocational Rehab	64	85.7%	\$13.94	\$16.28	8.9
956	Health District VI	114	96.3%	\$17.71	\$18.39	8.9
512	Boise State University	685	89.1%	\$13.26	\$14.89	8.9
957	Health District VII	89	94.5%	\$18.21	\$19.26	9.0
220	Commerce	42	88.0%	\$18.90	\$21.48	9.2
440	Lottery Comm	11	92.6%	\$14.52	\$15.69	9.2
300	Industrial Comm	73	90.5%	\$14.66	\$16.20	9.3
951	Health District I	130	93.7%	\$18.31	\$19.54	9.4
504	Eastern Id Tech College	33	96.7%	\$14.04	\$14.51	9.4
952	Health District II	49	92.2%	\$17.78	\$19.27	9.7
513	Idaho State University	680	88.3%	\$13.24	\$14.99	9.8
270	Health & Welfare	2995	97.3%	\$19.76	\$20.30	9.8
341	Lava Hot Springs	9	97.2%	\$13.46	\$13.85	10.1
521	Commission For Libraries	38	89.7%	\$16.97	\$18.93	10.2
188	Human Rights Comm	10	91.8%	\$18.35	\$19.99	10.7
503	Prof-Tech Education	14	102.1%	\$14.99	\$14.68	10.7
250	Finance	49	100.9%	\$24.29	\$24.08	11.0
200	Administration	121	95.7%	\$18.94	\$19.79	11.0
520	Public Television	48	94.0%	\$18.08	\$19.23	11.1
330	State Police	473	105.4%	\$22.42	\$21.27	11.1
245	Environmental Quality	340	94.0%	\$23.48	\$24.99	11.2
189	Blind Comm	42	94.2%	\$17.67	\$18.76	11.2

351	Tax Appeals	3	90.4%	\$21.78	\$24.10	11.5
522	Historical Society	45	94.0%	\$18.67	\$19.87	11.5
240	Labor	553	97.0%	\$20.60	\$21.22	11.9
210	Agriculture	197	96.4%	\$21.78	\$22.58	12.3
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332	Racing Comm	2	104.5%	\$17.91	\$17.14	13.9
900	Public Utilities Comm	35	96.7%	\$21.49	\$22.21	14.5
422	Accountancy Bd	3	100.2%	\$15.89	\$15.86	14.7
290	Transportation	1694	100.9%	\$19.57	\$19.40	14.8
194	Human Resources	14	95.7%	\$20.10	\$21.01	15.7
186	Insurance Fund	4	114.8%	\$25.97	\$22.63	15.8
322	Investment Bd	2	118.4%	\$22.81	\$19.26	21.7
180	Financial Management	4	122.5%	\$33.30	\$27.18	25.3
423	Dentistry Bd	1	122.4%	\$20.10	\$16.42	28.2
Totals		13348	95.5%	\$18.54	\$19.42	10.6

Department of Administration
APPENDICES

Department of Administration

Appendix A: Projected Cost Share

Illustrates projected charges through 2013 to achieve a 70/30% employer/employee cost share plan by shifting total covered charges from 78/22% to 70/30%.

Appendix B: Estimated Premiums Based on Percentage of Salaries

This table is an estimate of percentage based premiums on FY2008 rate information and will change when new rates are established for FY2009.

Appendix C: Comparison of 5% Pay Increases and Increased Employee Medical Contributions

This table shows the yearly expected total salary **increase**, and the projected total employee medical premiums, based on moving to a 70/30% split. The final column is the net salary increase employees will receive after medical premium increases are deducted.

Appendix A
Total Covered Charges Projected Through FY2013 Toward a 70/30 Cost Share

Estimated Trend	7.5%	10.0%	10.0%	10.0%	10%	10%	10%	10%
Fiscal Year	2007	2008	2009	2009	2010	2011	2012	2013
Employer\Employee Share	77/23 Split	78/22 Split	79/21 Split	75/25 Split	74/26 Split	73/27 Split	72/28 Split	71/29 Split
Employee	23%	22%	21%	25%	26%	27%	28%	29%
State	77%	78%	79%	75%	74%	73%	72%	71%
Incurring Claims	\$ 122,604,384	\$ 134,864,822	\$ 148,351,304	\$ 148,351,304	\$ 163,186,435	\$ 179,505,078	\$ 197,455,586	\$ 217,201,145
EE Ded. & Co Payments	\$ 28,379,315	\$ 29,996,936	\$ 31,877,744	\$ 31,877,744	\$ 33,694,775	\$ 35,615,377	\$ 37,645,454	\$ 39,791,245
Vision	\$ 1,247,822	\$ 1,372,605	\$ 1,509,865	\$ 1,509,865	\$ 1,660,852	\$ 1,826,937	\$ 2,009,630	\$ 2,210,593
Premium Tax	\$ 1,846,702	\$ 2,031,372	\$ 2,234,510	\$ 2,234,510	\$ 2,457,961	\$ 2,703,757	\$ 2,974,132	\$ 3,271,546
Blue Cross Admin.	\$ 6,477,753	\$ 7,125,528	\$ 7,838,081	\$ 7,838,081	\$ 8,621,889	\$ 9,484,078	\$ 10,432,486	\$ 11,475,734
Disabled Reserve	\$ 1,268,634	\$ 1,395,497	\$ 1,535,047	\$ 1,688,552	\$ 1,857,407	\$ 2,043,148	\$ 2,247,463	\$ 2,472,209
State Admin.	\$ 711,384	\$ 732,726	\$ 754,707	\$ 777,349	\$ 800,669	\$ 824,689	\$ 849,430	\$ 874,913
Retiree Subsidy	\$ 3,529,344	\$ 3,529,344	\$ 3,529,344	\$ 3,529,344	\$ 3,529,344	\$ 3,529,344	\$ 3,529,344	\$ 3,529,344
Total Covered Charges	\$ 166,065,338	\$ 181,048,830	\$ 197,630,602	\$ 197,806,748	\$ 215,809,331	\$ 235,532,407	\$ 257,143,524	\$ 280,826,728
EMPLOYEE COSTS								
Employee Ded., Etc.	\$ 28,379,315	\$ 29,996,936	\$ 31,877,744	\$ 31,877,744	\$ 33,694,775	\$ 35,615,377	\$ 37,645,454	\$ 39,791,245
Employee Cash Contribution	\$ 11,061,424	\$ 11,061,424	\$ 11,061,424	\$ 17,573,943	\$ 22,415,651	\$ 27,978,373	\$ 34,354,733	\$ 41,648,506
Total Employee Cost	\$ 37,676,067	\$ 39,293,688	\$ 41,003,514	\$ 49,451,687	\$ 56,110,426	\$ 63,593,750	\$ 72,000,187	\$ 81,439,751
Employee Share	23.1%	22.1%	21.1%	25.0%	26.0%	27.0%	28.0%	29.0%
STATE COST								
Cash Appropriation	\$ 127,206,381	\$ 127,206,381	\$ 127,206,381	\$ 148,355,061	\$ 159,698,905	\$ 171,938,657	\$ 185,143,338	\$ 199,386,977
Reserve Changes	\$ 2,077,315	\$ (11,365,266)	\$ (26,152,106)	\$ -	\$ -	\$ -	\$ -	\$ -
State Cash Cost	\$ 125,129,066	\$ 138,571,648	\$ 153,358,488	\$ 148,355,061	\$ 159,698,905	\$ 171,938,657	\$ 185,143,338	\$ 199,386,977
State Share	75%	77%	78%	75%	74%	73%	72%	71%

Appendix B

Estimated Premiums Based On Percentages of Salary

EXAMPLE OF TABLE RATES BASED ON % OF DECILE SALARIES

Percent of Salary	0.87%	1.09%	1.38%	1.82%	2.02%	2.64%
Avg. Sal.	Single	EE & Child	EE & 2 Childr.	EE & Spouse	EE, Spouse & 1	Family
\$ 21,938	32.24	\$ 40.88	\$ 56.80	\$ 64.48	\$ 73.12	\$ 89.04
Table Rate	15.91	19.91	25.25	33.36	36.91	48.21
\$ 27,456	32.24	\$ 40.88	\$ 56.80	\$ 64.48	\$ 73.12	\$ 89.04
Table Rate	19.92	24.92	31.60	41.75	46.19	60.34
\$ 31,179	32.24	\$ 40.88	\$ 56.80	\$ 64.48	\$ 73.12	\$ 89.04
Table Rate	22.62	28.30	35.88	47.41	52.46	68.52
\$ 34,798	32.24	\$ 40.88	\$ 56.80	\$ 64.48	\$ 73.12	\$ 89.04
Table Rate	25.24	31.59	40.05	52.91	58.54	76.48
\$ 38,418	32.24	\$ 40.88	\$ 56.80	\$ 64.48	\$ 73.12	\$ 89.04
Table Rate	27.87	34.87	44.21	58.41	64.63	84.43
\$ 41,954	32.24	\$ 40.88	\$ 56.80	\$ 64.48	\$ 73.12	\$ 89.04
Table Rate	30.43	38.08	48.28	63.79	70.58	92.20
\$ 45,802	32.24	\$ 40.88	\$ 56.80	\$ 64.48	\$ 73.12	\$ 89.04
Table Rate	33.22	41.58	52.71	69.64	77.06	100.66
\$ 50,690						
Table Rate	36.77	46.01	58.34	77.07	85.28	111.40
\$ 58,365	32.24	\$ 40.88	\$ 56.80	\$ 64.48	\$ 73.12	\$ 89.04
Table Rate	42.34	52.98	67.17	88.74	98.19	128.27
\$ 82,555	32.24	\$ 40.88	\$ 56.80	\$ 64.48	\$ 73.12	\$ 89.04
Table Rate	59.88	74.94	95.01	125.52	138.89	181.44

Appendix C
Comparison of 5% Pay Increases And Increased Employee Medical Contributions

<u>Fiscal</u>	<u>Total Salary</u>	<u>Total Employee</u>	<u>Medical Premium</u>	<u>Net Salary</u>
<u>Year</u>	<u>Increase</u>	<u>Medical Premium</u>	<u>Increase</u>	<u>Increase</u>
<u>2007</u>	<u>NA</u>	<u>\$11,545,700</u>	<u>-</u>	<u>-</u>
<u>2008</u>	<u>\$37,802,800</u>	<u>\$11,545,700</u>	<u>\$0</u>	<u>\$37,802,800</u>
<u>2009</u>	<u>\$39,692,900</u>	<u>\$18,416,884</u>	<u>\$6,871,184</u>	<u>\$32,821,716</u>
<u>2010</u>	<u>\$41,677,500</u>	<u>\$23,274,619</u>	<u>\$4,857,735</u>	<u>\$36,819,765</u>
<u>2011</u>	<u>\$43,761,400</u>	<u>\$28,844,699</u>	<u>\$5,567,700</u>	<u>\$38,193,700</u>
<u>2012</u>	<u>\$45,949,500</u>	<u>\$35,217,893</u>	<u>\$6,373,194</u>	<u>\$39,576,306</u>
<u>2013</u>	<u>\$48,247,000</u>	<u>\$42,557,758</u>	<u>\$7,339,865</u>	<u>\$40,907,135</u>